



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Wednesday, January 17, 2007

Major Developments

Update: Despite Progress, Hundreds of Thousands Remain without Power as Cold and Ice Continue to Plague States from Texas to New England

On January 13, a winter storm system carrying ice, sleet and freezing rain began causing power outages in the Panhandle area of Texas. The storm then moved northeast over the next two days, knocking out power to thousands of homes and businesses from Texas to New Hampshire. There are currently 231,043 customers in IL, KS, MA, MI, MO, NH, NY, OK, and TX without power as a result of the winter storm. This represents less than one percent of customers in affected utility service areas in the states represented. See table below.

Outages in Affected States

State	Peak Customers Without Power	Current Customers Without Power	Total Customers in State	Percent Without Power
Illinois	4,000	28	4,921,448	0.00%
Kansas	2,100	1,689	1,179,297	0.14%
Massachusetts	4,000	5	2,441,022	0.00%
Michigan	223,000	12,000	4,248,856	0.28%
Missouri	330,000	126,856	2,565,274	4.95%
New Hampshire	50,000	11,000	580,535	1.89%
New York	140,000	6,837	6,513,684	0.10%
Oklahoma	122,000	72,435	1,569,162	4.62%
Texas	25,600	193	8,562,931	0.00%
Total	900,700	231,043	32,582,209	0.71%

Note: due to a large number of service providers, including investor owned utilities and cooperatives, the number of customer outages reported may not be comprehensive.

Yesterday's Oklahoma "Current Customers Without Power" number was incorrect. The correct number should have been 96,651 customers without power in Oklahoma.

Sources for current outage numbers:

- IL – Ameren as of 3:30pm CST 1/17/07 http://www.ameren.com/Outage/ADC_RS_StormCenter.asp
KS – Kansas Cooperatives as of 1/17/07 <http://www.kec.org/Safety%20News/OutageInfo.htm>
Kansas City Power and Light as of 4:00pm CST 1/17/07
http://www.kcpl.com/kcmaps/frameset_menus.htm
MA – Western Massachusetts Electric as of 5:00pm EST 1/17/07
<http://www.wmeco.com/Community/StormCenter/RestorationStatus.aspx>
MI – AEP Indiana Michigan Power as of 9:00 pm EST 1/16/07
<http://www.indianamichiganpower.com/news/outages/viewstorm.asp?stormID=591>
Consumers Energy as of 4:00am EST 1/17/07 <http://www.consumersenergy.com/welcome.htm>
DTE Energy as of 3:50pm EST 1/17/07 <http://my.dteenergy.com/main/indexStorm.html>
MO – State of Missouri Emergency Management Agency Situation Report, 11:00am CST 1/17/07
<http://sema.dps.mo.gov/SitReps/SITREP11707AM.pdf>
Ameren as of 3:30pm CST 1/17/07 http://www.ameren.com/Outage/ADC_RS_StormCenter.asp

NH— Public Service of New Hampshire as of 5:15am EST 1/17/07
<http://www.psnh.com/aboutpsnh/mediacenter/stormupdates.asp>
NY— National Grid as of 5:00pm EST 1/17/07
<https://www1.nationalgridus.com/niagaramohawk/storm/OutagesByCounty.aspx>
OK— Oklahoma Association of Electric Cooperatives as of 4:00pm CST 1/17/07,
http://oaec.coop/Latest_News_2.php
AEP Public Service Company of Oklahoma as of 3:15pm CST 1/17/07,
<http://www.psoklahoma.com/news/outages/viewstorm.asp?stormID=593>
Oklahoma Gas & Electric as of 4:15pm CST 1/17/07, <http://www.oge.com/systemwatch/>
TX— TXU Electric Delivery as of 12:00 am CST,
http://www.dallasnews.com/sharedcontent/dws/news/localnews/stories/DN-weather_16met.ART0.State.Edition1.3e1199e.html
Total customer data as of 2005 from EIA: <http://www.eia.doe.gov/cneaf/electricity/esr/table6.xls>

Additional Sources:

http://www.newstribune.com/articles/2007/01/17/news_state/348state33power.txt
<http://www.mysanantonio.com/news/weather/stories/MYSA011707.01A.weather.4928cc79.html>
http://news.yahoo.com/s/ksat/20070117/lo_ksat/10766681
http://www.capitalnews9.com/content/top_stories/default.asp?ArID=202857
<http://www.unionleader.com/article.aspx?articleId=f005b4d8-2b96-4dab-a193-b2303af869c0&headline=Life+without+electricity+proves+a+cold+reality+for+many>
<http://www.wmur.com/weather/10760058/detail.html?rss=man&psp=news>
<http://www.nwanews.com/bcdr/News/44366/>
<http://www.poststar.com/articles/2007/01/16/news/doc45ada7bf5a2b1188720940.txt>
<http://www.coned.com/newsroom/news/pr20070116.asp>

Electricity

67,000 PG&E Customers Lose Power Briefly in California January 16

Pacific Gas and Electric Company customers in Santa Cruz, California, lost power around 9 a.m. because of a suspected problem with a transmission line. Power was restored to all customers one hour later. The utility is determining the exact cause of the outage.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7667785

Oregon PUC Rejects PacifiCorp Coal Plan to Build Two Coal-fired Power Plants

On January 16, the Oregon Public Utility Commission (PUC) rejected PacifiCorp's plans to build two coal plants in Utah and Wyoming, citing lack of justification for the amount and type of energy resources PacifiCorp sought. PUC officials said that the utility's proposal was also inconsistent with a previously approved plan favoring short-term market purchases, renewable resources and conservation to meet growing demand in the eastern part of its system, primarily Utah.

Reuters, 23:45 January 16, 2007

TXU's 750 MW Martin Lake Coal-fired Unit 3 in Texas Shut January 16

The unit was shut to repair a tube leak. Traders anticipate that the unit will be back in service within a few days.

Reuters, 08:13 January 17, 2007

Monticello Nuclear Plant in Minnesota to Boost Power Capacity by 20 Percent

Xcel's Northern States Power awarded a contract to General Electric to oversee the expansion of the 613 MW single unit facility by 20 percent. The project is scheduled for completion in spring of 2011.

Reuters, 08:39 January 17, 2007

Burying Utility Lines Costs 10 Times More than Overhead Line Installation – EEI

Customers sometimes wonder why power lines are not all buried to increase reliability of the distribution of electricity. The main reason is cost. A report by Edison Electric Institute shows that burying overhead power lines has a huge price tag—costing about \$1 million a mile on average or about 10 times what it costs to install overhead power lines. Ameren estimates that if it buried all utility power lines, it would require rate increases ranging from 80 to 125 percent.

http://www.ameren.com/AboutUs/ADC_ForTheRecord.asp

Ice Storms Impair Apache's Oil and Gas Production in Oklahoma and Texas

Apache Corp. reported that the severe ice storms have resulted in a 9 percent drop in oil production and a 7 percent drop in natural gas production. Apache has crews working to restore production. Some two to three inches of ice have impacted the equipment according to the statement.

Bloomberg, 11:15 January 17, 2007

Bad Weather Causes Problem at ConocoPhillips 146,000 b/d Borger Refinery in Texas January 16

According to a report filed with Texas regulators, bad weather resulted in a problem with the carbon monoxide boiler at the refinery. The company indicated that the incident had no impact on production.

Reuters, 09:45 January 17, 2007

Update: Flaring Reported at Chevron's 243,000 b/d Richmond Refinery in California January 16

The flaring occurred as maintenance was underway following a fire that took place on January 15.

Bloomberg, 09:44 January 17, 2007

Flaring Reported at Delek's 60,000 b/d Tyler Refinery in Texas January 16 and 17

According to a report filed with state regulators, the flaring occurred between 10:45 p.m. January 16 and 1:30 a.m. January 17.

Bloomberg, 11:45 January 17, 2007

Shell Initiates Restart of Hydrogen Unit at 156,000 b/d Wilmington Refinery in California January 16

Reuters, 08:50 January 17, 2007

Loss of Steam Pressure at Valero's 260,000 b/d Port Arthur Refinery in Texas January 16

According to a report filed with state regulators, a loss of steam pressure from an off-site producer resulted in a malfunction with a steam turbine that in turn caused problems with a gasoline unit and a sulfur recovery unit at the refinery. The company did not comment as to whether the incident had any impact on production.

Bloomberg, 10:40 January 17, 2007

Reuters, 08:11 January 17, 2007

BP Reports Major Problem at Virginia Products Rack

According to Oil Express, BP has notified its customers and exchange partners that it has shut down its product terminal in Fairfax, Virginia until further notice because of product contamination. In turn, Chevron has notified marketers (that draw from the rack on an exchange basis) not to sell any of the three grades of suspect gasoline, and to stop sale of all RFG10 products until further notice.

OPIS Price Watch Alert, 02:06 January 17, 2006

Update: Shell Shuts 12,000 b/d of Production as Workers Evacuated in Nigeria

According to a company source, Shell reduced output at its Ekulama 2 field in Nigeria when it decided to evacuate company workers following an attack on Sunday.

Reuters, 09:16 January 17, 2007

ExxonMobil's Output from Sakhalin Surges by 40 Percent to 200,000 b/d During Past Month

ExxonMobil announced that oil and gas production from its Sakhalin project surged by 40 percent during the past month to reach the equivalent of 200,000 b/d. ExxonMobil intends to ramp production up further to an estimated peak of 317,000 b/d.

Bloomberg, 12:54 January 17, 2007

Canada's Fort Hills Oil Sands Venture Scheduled for Production in 2008

Fort Hills oil sands project (a joint venture between UTS Energy, Teck Cominco, and Petro-Canada) is scheduled to start production in 2008 and eventually reach 170,000 b/d in 2011.

<http://www.platts.com/Oil/News/6338779.xml?p=Oil/News&sub=Oil>

Enbridge Considering Oil Pipeline to Transport Canadian Crude Oil to U.S. Northeast

Enbridge Inc. announced that it is in discussions with possible customers for a crude oil pipeline that could be built to carry Canadian crude oil from the Chicago area to the U.S. Northeast. The company described the discussions as very preliminary.

Reuters, 11:00 January 17, 2007

Natural Gas

Frozen Equipment and High Demand Plague Natural Gas Customers in Arizona, Colorado and Missouri

Xcel Energy declared a civil emergency alert for the Grand Junction area of Colorado on January 17 when extreme cold caused equipment to freeze leaving some 2,000 customers without gas service. Outages in Missouri and Arizona were also caused by extreme cold weather, high demand and equipment failures typically affecting several hundred to a few thousand customers.

<http://www.kjct8.com/story.cfm?storyID=1482>

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7663384

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7667975

Xcel Completes Temporary Repair to Colorado Gas Leak, Residents Allowed to Return

Xcel completed repairs to a leaking gas line in the Highlands Ranch area in Colorado. Some streets remain closed as work continues to make the repair permanent. Although the leak was reported on January 12, the line remained in service due to the cold weather. Had the line been shut, some 20,000 customers would have been without gas service during a period of extreme cold weather. With the completion of the temporary repair, 61 residents who had been evacuated were allowed to return to their homes.

http://www.xcelenergy.com/XLWEB/CDA/0,3080,1-1-1_15531_9777_34594-31801-0_0_0-0,00.html

Other News

U.S. Ethanol Production Hits 5.4 Billion Gallons, Construction Boom Underway

With ethanol replacing MTBE in reformulated gasoline, U.S. ethanol production has jumped to approximately 5.436 billion gallons. Currently there are 111 ethanol refineries in the U.S with new plants 75 under construction and 8 plants undergoing expansion.

Reuters, 11:24 January 17, 2007

Energy Prices

U.S. Oil and Gas Prices			
January 17, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	52.30	53.95	66.36
\$/Barrel			
NATURAL GAS			
Henry Hub	6.57	6.42	8.82
\$/Million Btu			

Source: Reuters

Energy Notes

State Hearing for DM & E's Railroad Expansion Project Postponed Again Until New Hearing Examiner is Appointed

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7667160

Azeri State Oil Company to Complete Black Sea 200,000 b/d Export Facility this Spring

Reuters, 11:11 January 17, 2007

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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